

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE FLEMING COUNTY)	
WATER ASSOCIATION, INC., OF FLEMING)	
COUNTY, KENTUCKY, FOR A CERTIFICATE OF)	CASE NO.
PUBLIC CONVENIENCE AND NECESSITY TO)	2008-00180
CONSTRUCT AND FINANCE A WATERWORKS)	
IMPROVEMENT PROJECT)	

O R D E R

On May 19, 2008, Fleming County Water Association, Inc. (“Fleming Association”) applied for a Certificate of Public Convenience and Necessity to construct a \$350,000 waterworks improvement project and for approval of its plan of financing for this project. This project consists of the construction of a 178,000-gallon water storage tank and connections to the existing waterworks system of Fleming Association to adequately serve residents in Fleming, Mason, and Lewis counties. Project funding includes a grant from the Appalachian Regional Commission (“ARC”) of \$175,000, a state appropriation of \$100,000,¹ and \$75,000 from internally generated funds.

Fleming Association's application was made pursuant to KRS 278.023, which requires the Commission to accept agreements between water utilities and the U. S. Department of Agriculture or the U. S. Department of Housing and Urban Development and to issue the necessary orders to implement the terms of such agreements within 30

¹ House Bill 380, 2006 General Assembly, Regular Session (Ky. 2006).

days of satisfactory completion of the minimum filing requirements.² Given that minimum filing requirements were met in this case on May 21, 2008, KRS 278.023 does not grant the Commission any discretionary authority to modify or reject any portion of this agreement.

IT IS THEREFORE ORDERED that:

1. Fleming Association is granted a Certificate of Public Convenience and Necessity for the proposed construction project.
2. Fleming Association's proposed plan of financing is accepted.
3. Fleming Association shall file a copy of the "as-built" drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.
4. Fleming Association shall monitor the adequacies of the expanded water distribution system after construction. If the level of service is inadequate or declining or the pressure to any customer is outside the requirements of 807 KAR 5:066, Section 5(1), Fleming Association shall take immediate action to ensure that the level of service conforms to the regulations of the Commission.
5. Fleming Association shall notify the Commission one week prior to the actual start of construction and at the 50 percent completion point.

Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

² Pursuant to a memorandum of agreement between the ARC and the Rural Utilities Service, Rural Development administers all grants using Appalachian Regional Development Act funds on behalf of the ARC. See Rural Utilities Service Bulletin 1780-32 (2000).

Done at Frankfort, Kentucky, this 17th day of June, 2008.

By the Commission

ATTEST:


Executive Director